

Office Memorandum • UNITED STATES GOVERNMENT

TO : Mr. L. R. Houston

DATE: 6 January 1950

FROM : Legal Staff

SUBJECT: Draft of Administrative Instruction Re Classified Contracts.

OGC HAS REVIEWED.

1. The following comments are furnished in accord with the request of Management Officer's memorandum dated 22 December 1949, asking for an answer by 10 January 1950.

2. We are not altogether certain that the appropriate Assistant Director or Staff Chief would necessarily have the names of all prospective contractors in compliance with the requirement of paragraph 2.a. (1). The respective contractors would probably be more readily accessible to operational sections such as Communications, but would not necessarily be known by other divisions of the Agency requiring classified procurement. The requirement contained in paragraph 2.e. seems unnecessarily restrictive insofar as there is no condition of a time interval or change of employees. Query: Why should a new security clearance be obtained for the same personnel immediately entering into a new contract simply because the previous contract has been terminated? In paragraph 4, line 3, the word "name" is apparently a typographical error. The sentence, as written, does not make sense.

3. There is no provision for requiring clearance of all contractor's personnel prior to the execution of the contract or the beginning of operations under it. This may have been considered and decided unnecessary. If clearance is considered a necessary condition precedent, it should also be applied to subcontracts. In their regard, the Administrative Instruction should probably contain a specific statement that the procedure applies to subcontractors as well as to primes, although the applicability of the provisions is certainly implied.

STATINTL

**RESTRICTED**